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FOOD AND NUTRITION PROGRAMS

FISCAL YEAR 1974



FOOD AND NUTRITION SERVICE
U.S. DEPARTMENT OF AGRICULTURE

1974

FNS Program Reporting Staff
December, 1974

PREFACE

This preliminary review and analysis of Food and Nutrition Service programs covers their progress during fiscal year 1974. There are two major program areas: Family Food Assistance including the Food Stamp and Food Distribution Programs; and Child Nutrition including the National School Lunch, School Breakfast, Special Food Service, Nonfood Assistance and Special Milk Programs.

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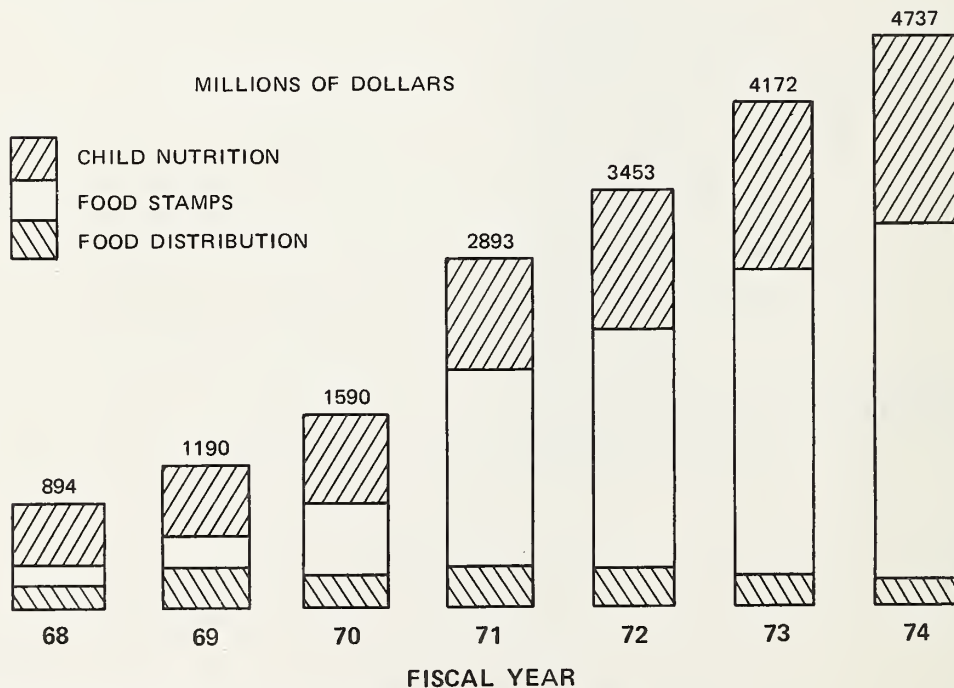
FOOD ASSISTANCE PROGRESS

The Food and Nutrition Service (FNS) was established in August 1969 to concentrate exclusively on the administration of Federal food programs in the Nation's drive to combat poverty-related hunger and malnutrition.

In the 5 years of the agency's history:

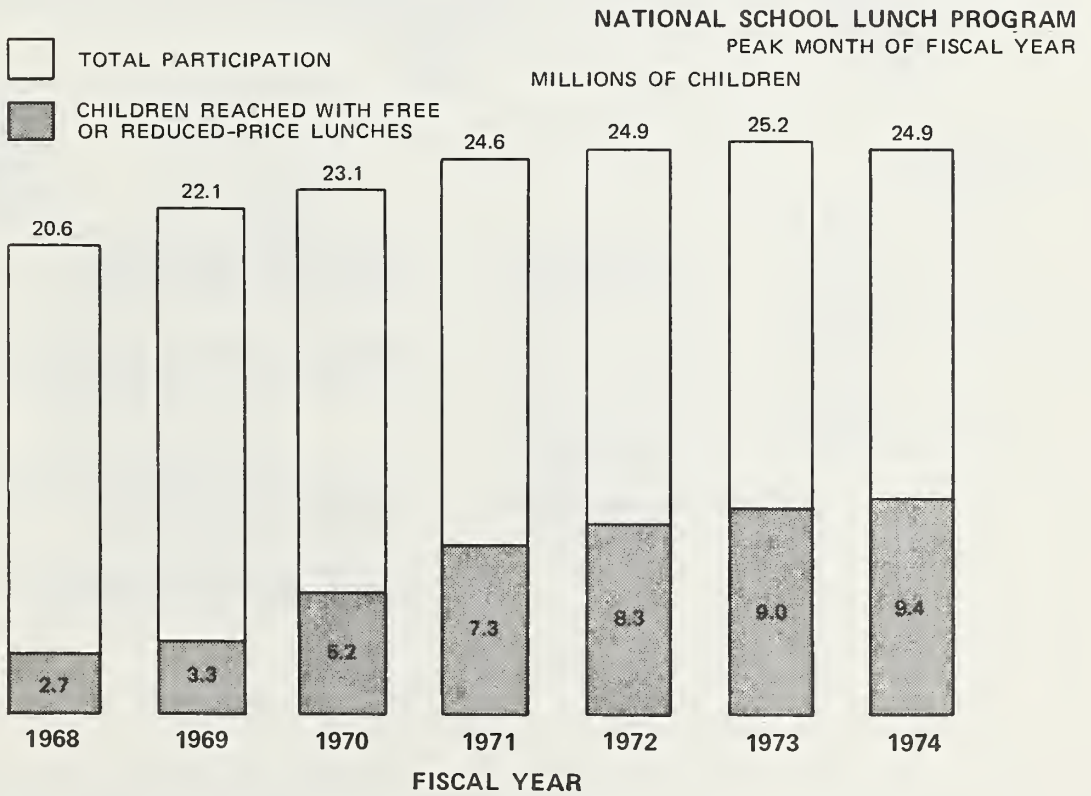
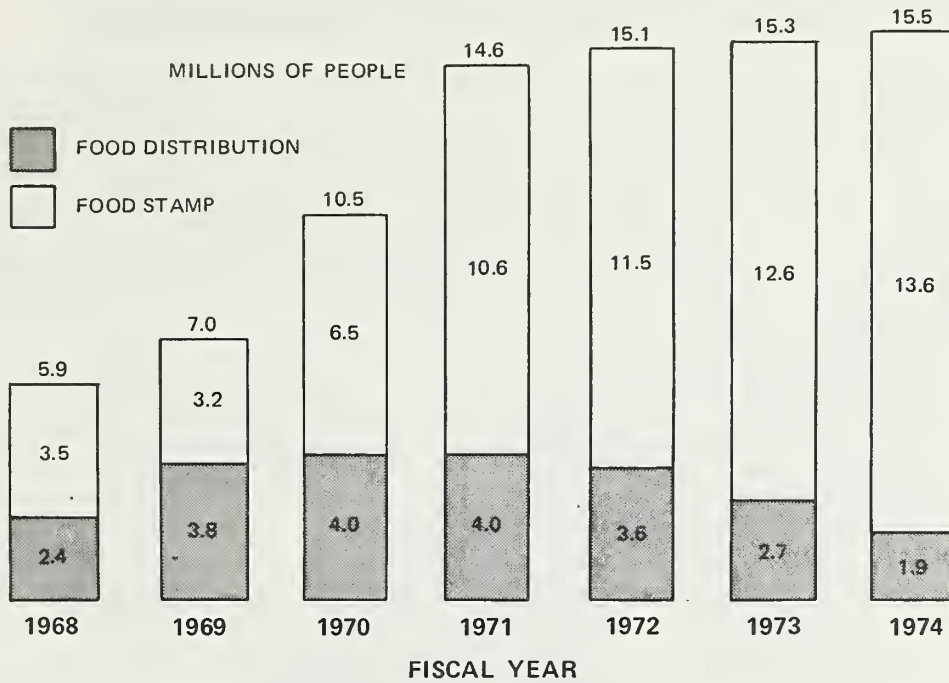
- The number of people getting help through family food assistance programs more than doubled to 15.1 million by the peak months of fiscal year 1972, and has hovered around that level since, moving up as high as 15.5 million in the peak months of fiscal year 1974.
- Major factor in the growth of family food help is the food stamp program, which by mandate of Congress is now operating in nearly all U.S. counties and cities.
- Food stamp benefits have increased sharply, from an average monthly food buying bonus of \$6.60 in 1969 to \$17.54 by the end of fiscal 1974. Provisions were enacted to reappraise the adequacy of food stamp assistance twice each year to keep benefits in line with food price changes.
- Virtually all needy Americans had access to family food assistance by the end of fiscal 1974. Only a couple of counties remained uncommitted to the food stamp program as the year ended, whereas there were over 400 counties without family food assistance in 1969.
- Federal funding for FNS food assistance activities climbed to \$4.7 billion in fiscal year 1974.
- The number of needy children receiving free and reduced-price meals through the school lunch program nearly tripled to 9.4 million in fiscal year 1974.

FOOD PROGRAM FUNDING



Funding totals include program benefits and Federal administrative costs.

FAMILY FOOD PROGRAM PARTICIPATION
PEAK MONTH OF FISCAL YEAR



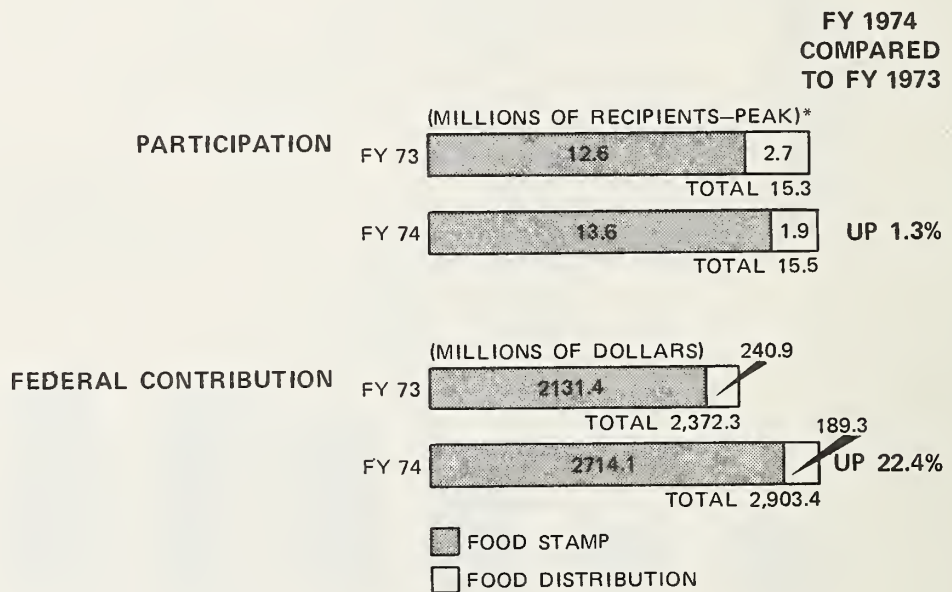
FAMILY FOOD ASSISTANCE PROGRAMS

Primary thrust of FNS family food assistance activity in fiscal year 1974 was to meet the mandate to establish the Food Stamp Program as the primary means of food help to individual households by June 30, 1974. The mandate was substantially achieved with minimum reliance on the permitted exceptions where program introduction was either impracticable or impossible.

By the June 30 target date, the Food Stamp Program was available in areas where over 94 percent of the U.S. population lives; with virtually all the rest covered by the alternative program of direct food distribution. Most of the remaining food distribution areas had firm plans to switch to food stamps early in the fiscal year beginning July 1, 1974.

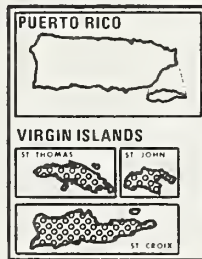
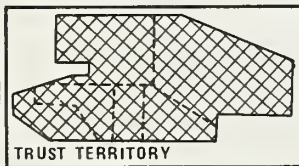
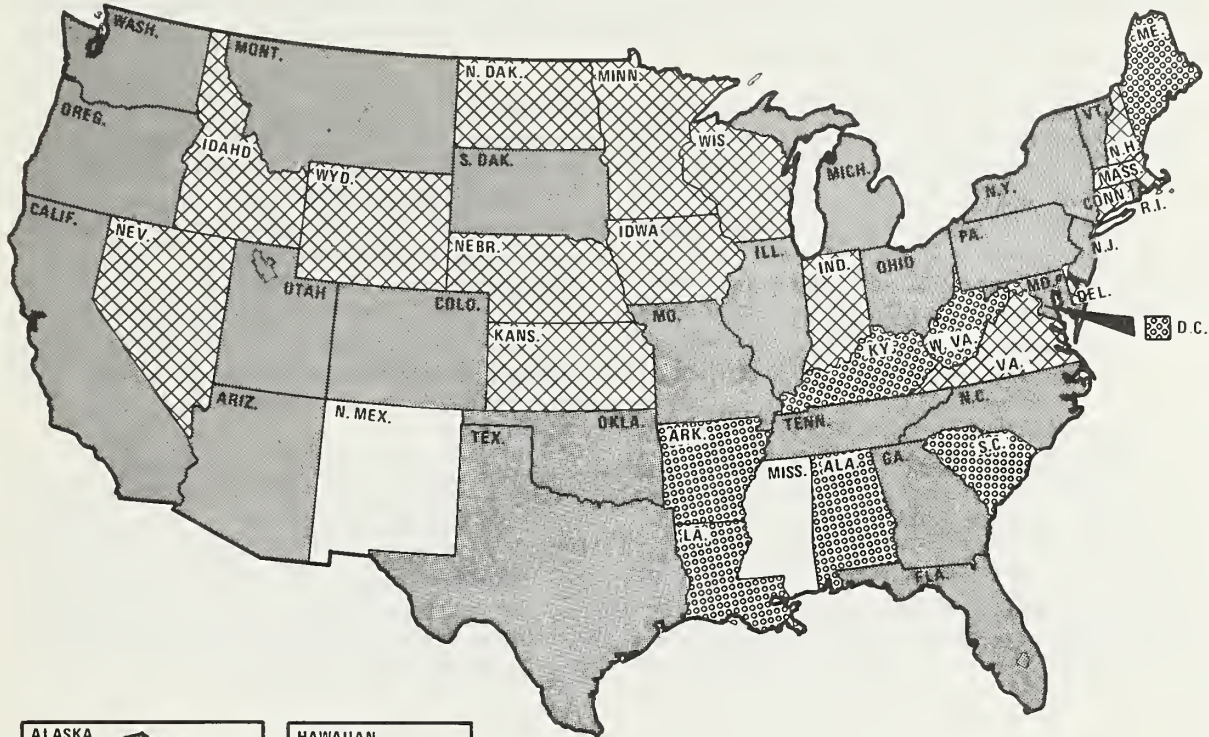
During fiscal year 1974:

- A total of 15.5 million people benefited from one or the other family food assistance programs, in the peak month of operation, up 200,000 over the previous year. A rising share, 88 percent, of these participants were food stamp users, reflecting the transfer of 593 counties from food distribution to food stamps.
- Of the total receiving family food help, 8.6 million people were on some form of public assistance and 6.9 million, or 45 percent, were not. This compares with 6 million, or 39 percent, non-public assistance recipients the previous year.
- Federal payments for family food assistance benefits were up 22.4 percent to \$2.9 billion, with food stamp costs representing 93.5 percent of the total.
- Some \$2 million worth of donated foods and food stamps were used to aid some 250,000 victims of such natural disasters as floods, hurricanes, and tornadoes. Need for disaster assistance was down considerably from fiscal year 1973, when \$13.1 million was spent on emergency food aid to almost 1 million people, most of them victims of Hurricane Agnes.

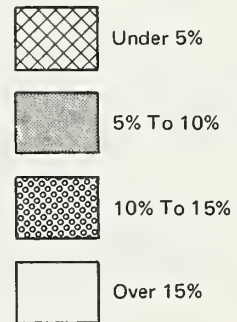


*Participation figures represent the month in which the combined programs reached a peak.

**PARTICIPATION IN FAMILY FOOD ASSISTANCE PROGRAMS
AS A PERCENTAGE OF POPULATION, FY 1974
(PRELIMINARY)**



PARTICIPATION RANGE

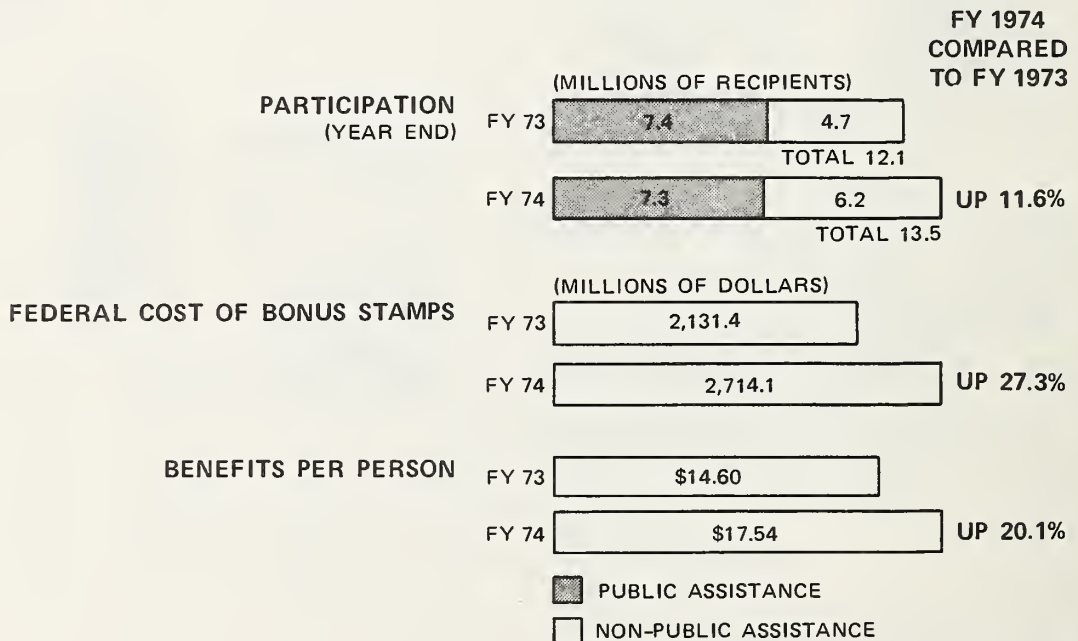


FOOD STAMP PROGRAM

The Food Stamp Program — started on a pilot basis in 1961 and enacted into law in 1964 — enables low-income households to buy more food of greater variety to improve diets. Participants pay a specified amount of money, based on family size and income, and receive an allotment of coupons worth more than they paid, when spent for food at participating stores.

In fiscal year 1974:

- Participation rose 11.6 percent to 13.5 million people, compared to 12.1 million the previous year, as counties increasingly shifted from the food distribution to the food stamp program.
- Recipients paid \$2 million and received food stamps worth a total \$4.7 billion, giving them a food buying bonus of \$2.7 billion, up 27 percent from the previous year.
- Food stamp benefits per person averaged \$17.54 a month, up 20 percent from the previous year. Coupon allotments are adjusted twice yearly, according to food price changes.
- In line with the mandate to extend the program nationwide, the number of project areas rose to 2,818, as 593 counties switched from food distribution to food stamps. As a result, 94 percent of the U.S. population — up 11 percentage points over the previous year — was in food stamp program areas at the end of fiscal 1974. And efforts were underway to complete the switch to food stamps in virtually all remaining areas of the country, including Guam, Puerto Rico and the Virgin Islands, by November, 1974. An exception was granted for Indian reservations, extending their food distribution option for 3 more years.
- The number of retailers authorized to accept food stamps increased to 197,000, a gain of 20,000 during the fiscal year. Included are 1,235 non-profit meal delivery service programs for the elderly in line with program changes permitting such operations to accept food stamp coupons in payment for meals.



FOOD DISTRIBUTION

Since the 1930's, foods bought by the U.S. Department of Agriculture in its price-support and surplus-removal activities have been donated for distribution to needy families through cooperating State and local agencies.

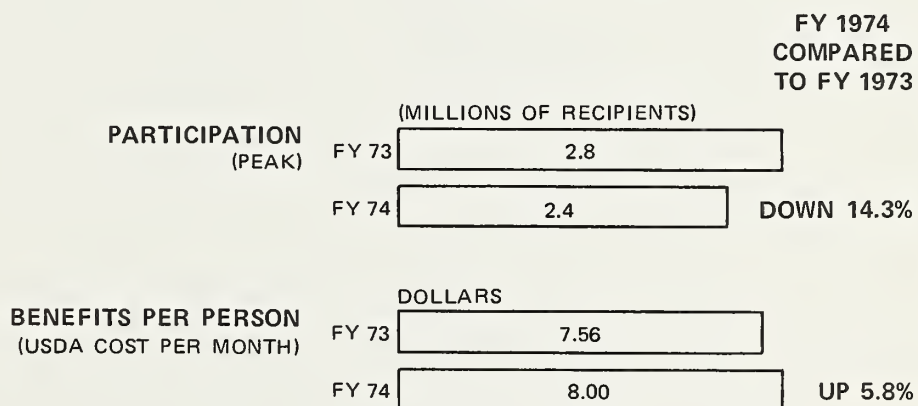
In fiscal year 1974:

- An average of 2 million needy persons a month received donated foods in some 682 project areas — a decrease of 660,000 people from the previous year. By the end of the year, participation had reached a low of 1.4 million people — 1 million below the same month in the previous year — as most areas completed the switch to food stamps.
- Recipients received a monthly average of 23.4 pounds of food per person, costing the Government \$8.00.
- The food "package" included canned meat, and poultry, fruits and vegetables, juices, milk, cheese, egg mix, beans, peanut butter and other staple foods.
- The Federal cost of foods donated to families totaled \$189.3 million, down 21 percent from fiscal year 1973, as programs switched over to food stamps.

In addition to the family food distribution program, donated foods were also provided to needy persons through:

CHARITABLE INSTITUTIONS which provide meals to indigent patients and residents. The value of food distributed declined by 8.8 percent to \$25 million because of diminishing food surpluses.

SUPPLEMENTAL FOODS distributed to mothers and infants. The cost of these foods increased to \$15.2 million, from \$13.3 million the previous year. Participation averaged 146,196 persons, with the monthly cost of food per person averaging \$8.66.



PILOT SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

A Pilot Special Supplemental Food Program for Women, Infants and Children (WIC), begun in January 1974, provides cash grants to State health departments and comparable agencies to make supplemental foods available to pregnant and lactating women, and infants and children up to 4 years of age, through participating health clinics. The experimental program is being evaluated to determine its nutritional and health benefits as well as to determine the effectiveness of various systems for delivering the food help.

By the end of fiscal year 1974, the program had opened in 232 project areas serving 198,000 participants. Federal payments for WIC in the first 6 months of operation were \$11.1 million, with the cost of food per person averaging \$17.01 a month.

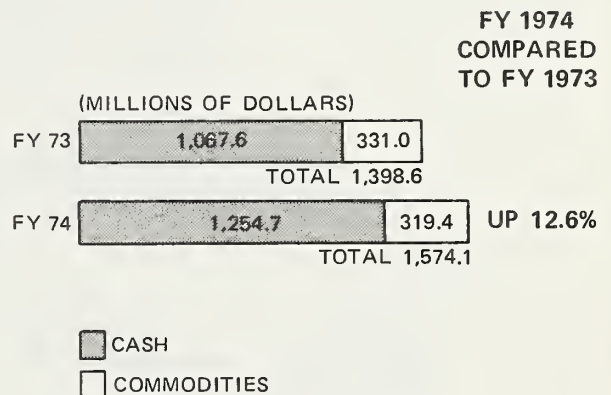
CHILD NUTRITION PROGRAMS

Through several Child Nutrition Programs, FNS provides cash and food assistance to help support food services for children in public and nonprofit private schools, child care centers, settlement houses, summer day camps and recreation centers.

During fiscal year 1974:

- The total number of meals served in all Child Nutrition Programs amounted to 4.4 billion, about the same as in fiscal year 1973. The bulk of the meals — 4 billion — were served in the National School Lunch Program.
- The number of free and reduced-price meals increased from 1.7 billion to 1.9 billion, a 12-percent increase.
- Federal payments for all child nutrition programs totaled \$1.6 billion of which \$1.2 billion was in cash apportioned to the States and \$320 million represented the Federal cost of donated foods. The total expenditure was 12.6 percent above that of a year earlier.
- Donated foods represented some 17 percent of the \$1.9 billion worth of food used in federally-aided school feeding programs.

FEDERAL CONTRIBUTION TO CHILD NUTRITION PROGRAMS



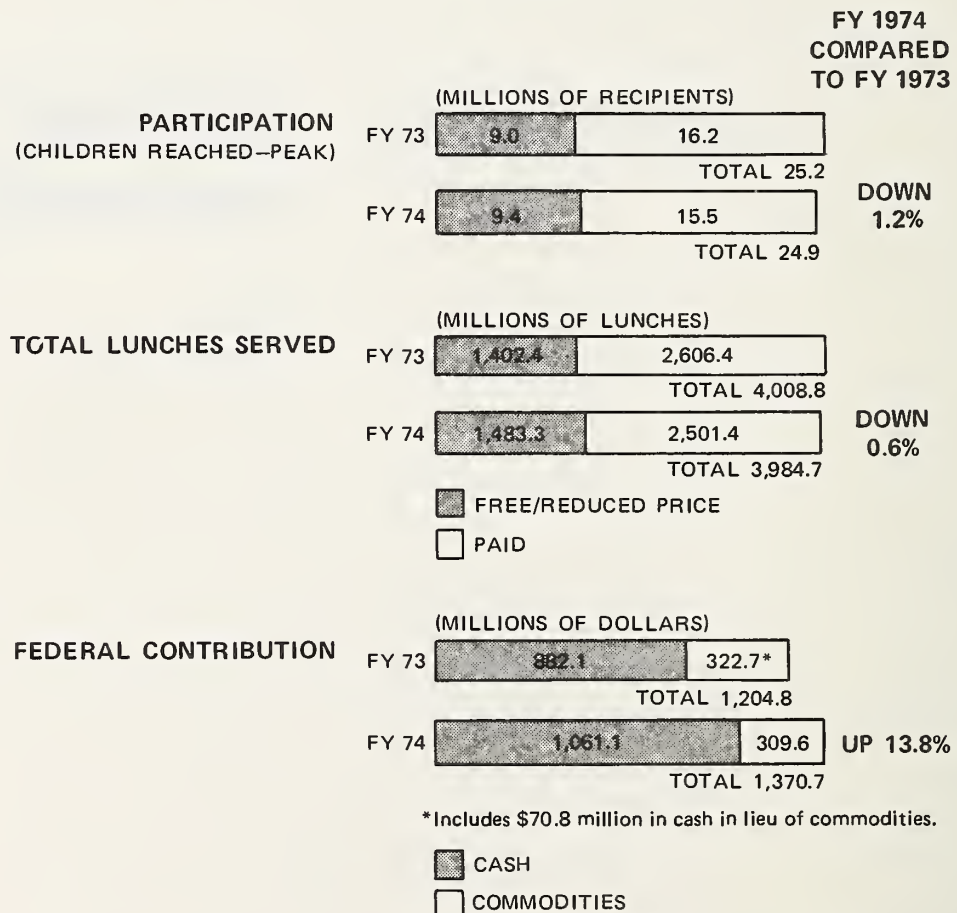
NATIONAL SCHOOL LUNCH PROGRAM

Oldest and largest of the child nutrition programs is the National School Lunch Program, enacted in 1946 to assist the States in establishing, maintaining, and expanding nonprofit lunch service in elementary and secondary schools.

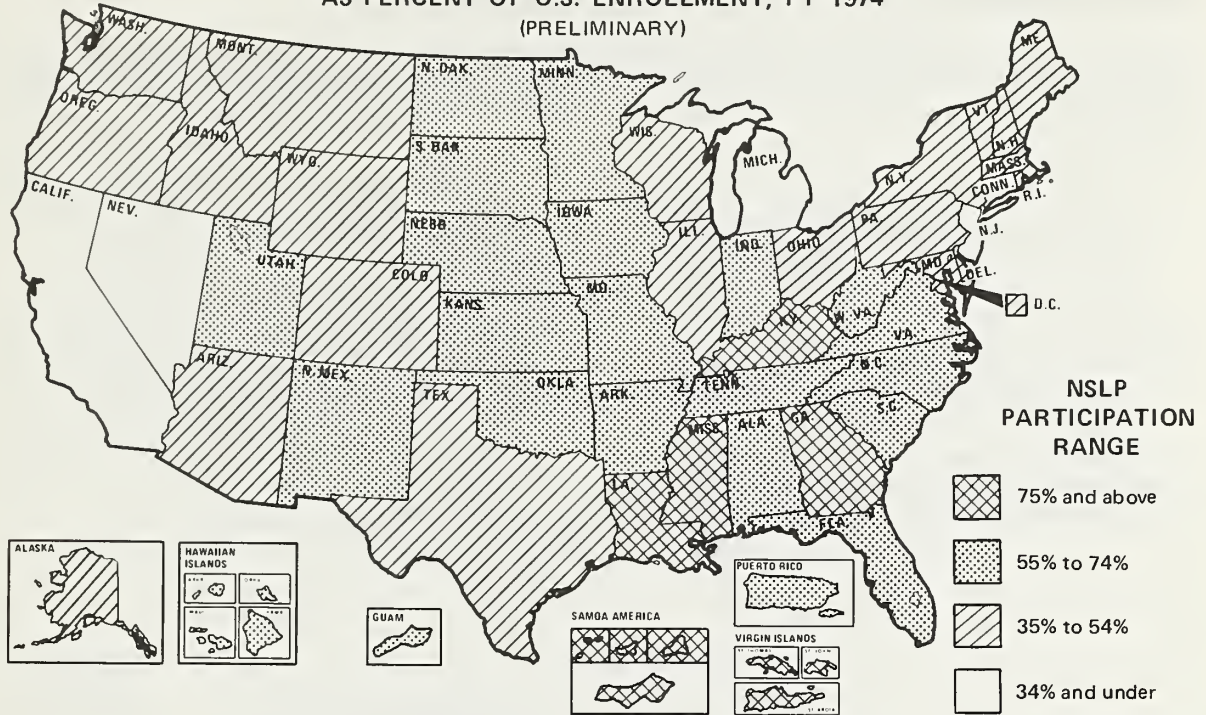
During fiscal year 1974:

- About 87,000 schools took part in the program, 1000 more than a year earlier. Thus, a school lunch program was available to 85.5 percent of the Nation's school enrollment.
- School lunch participation levelled off, paralleling a steady decline in school enrollment. In fiscal year 1974, participation peaked at 24.9 million, representing 57 percent of the children enrolled in participating schools — about the same percentage as the previous year, when school lunch participation peaked at 25.2 million children.
- The lunch program reached 9.4 million needy children with free or reduced-price lunches, compared to 9.0 million the previous year. These lunches accounted for one out of every three of the total 4 billion lunches served.
- The total cost of the National School Lunch Program was nearly \$3.2 billion. The federal contribution was \$1.4 billion or 44 percent. The remainder came from State and local contributions, including children's payments for lunches.

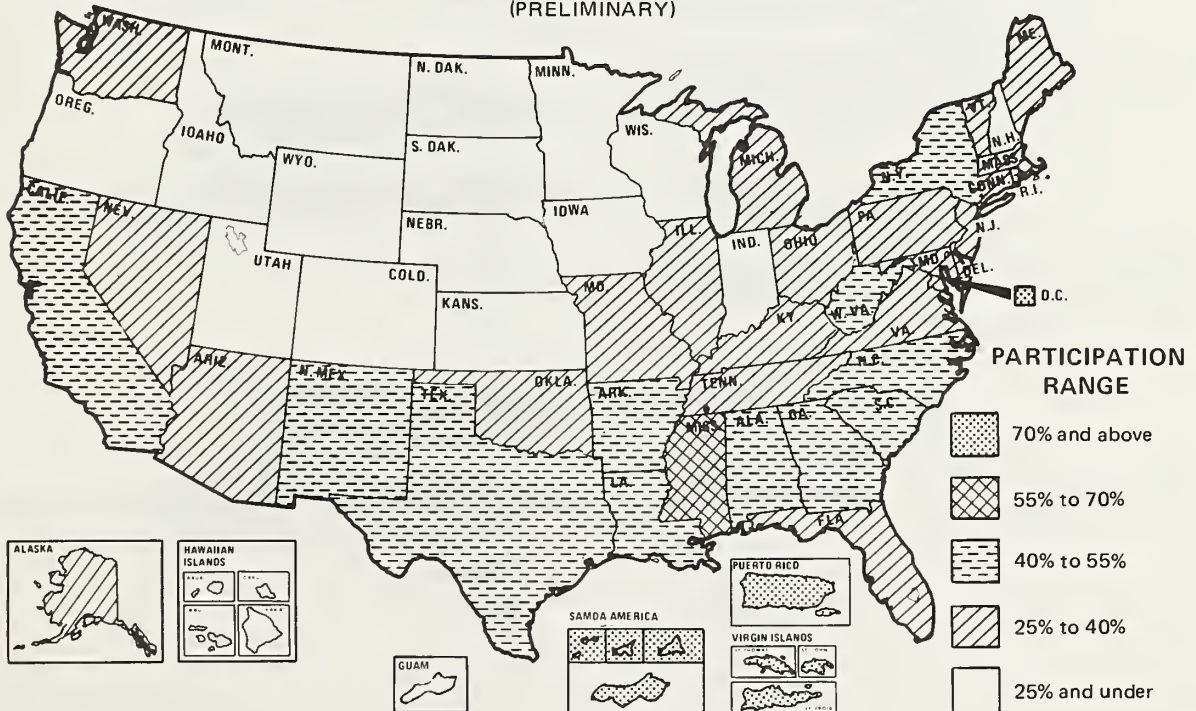
The Federal contribution per lunch totaled 34.4 cents — 26.7 cents in cash and 7.7 cents in donated foods. That was 14 percent higher than the previous year, due in part to new legislation increasing the rate of Federal reimbursement and requiring semi-annual adjustments in the rates of payment, to keep pace with food cost changes.



NATIONAL SCHOOL LUNCH PARTICIPATION
AS PERCENT OF U.S. ENROLLMENT, FY 1974
(PRELIMINARY)



FREE AND REDUCED PRICE RECIPIENTS AS A PERCENT OF
PARTICIPATION IN THE NATIONAL SCHOOL LUNCH PROGRAM, FY 1974
(PRELIMINARY)



SCHOOL BREAKFAST PROGRAM

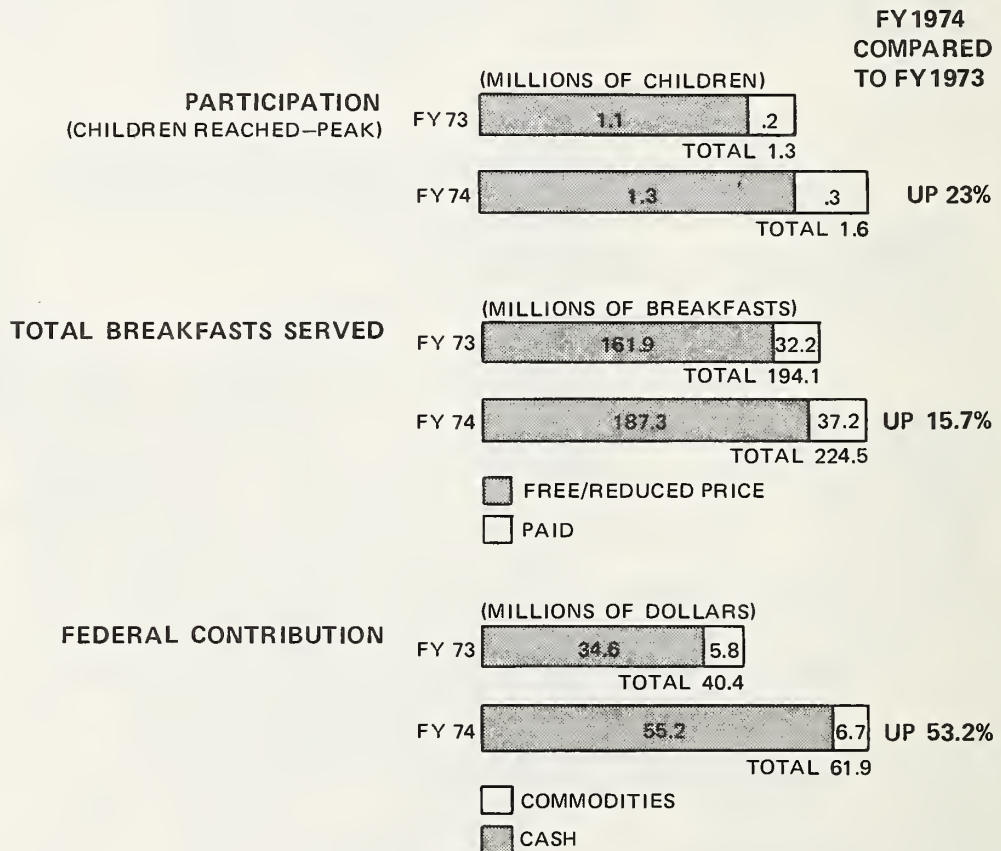
Authorized on a limited basis in 1966, the School Breakfast Program was made available in 1973 to all schools desiring it. The Federal Government provides cash and donated foods to States to assist in providing school breakfast service.

In fiscal year 1974:

- The breakfast program reached 1.6 million children, 23 percent more than the previous year. More than 11,800 schools took part in the program, a gain of 2,000 schools from fiscal year 1973.
- More than 83 percent of the 224.5 million meals served under the program were provided free or at reduced price to needy children.
- Federal contributions totaled \$61.9 million including \$6.7 million worth of donated foods

and \$55.2 million in cash reimbursement. The total was 53.2 percent higher than the previous year.

- The average Federal contribution per breakfast came to 27.6 cents of which 3 cents represented the value of donated foods. The contribution is up 32.7 percent from the previous year—due in part to new legislation increasing the rates of Federal payment and providing for semiannual adjustment of payment rates in line with food price changes.

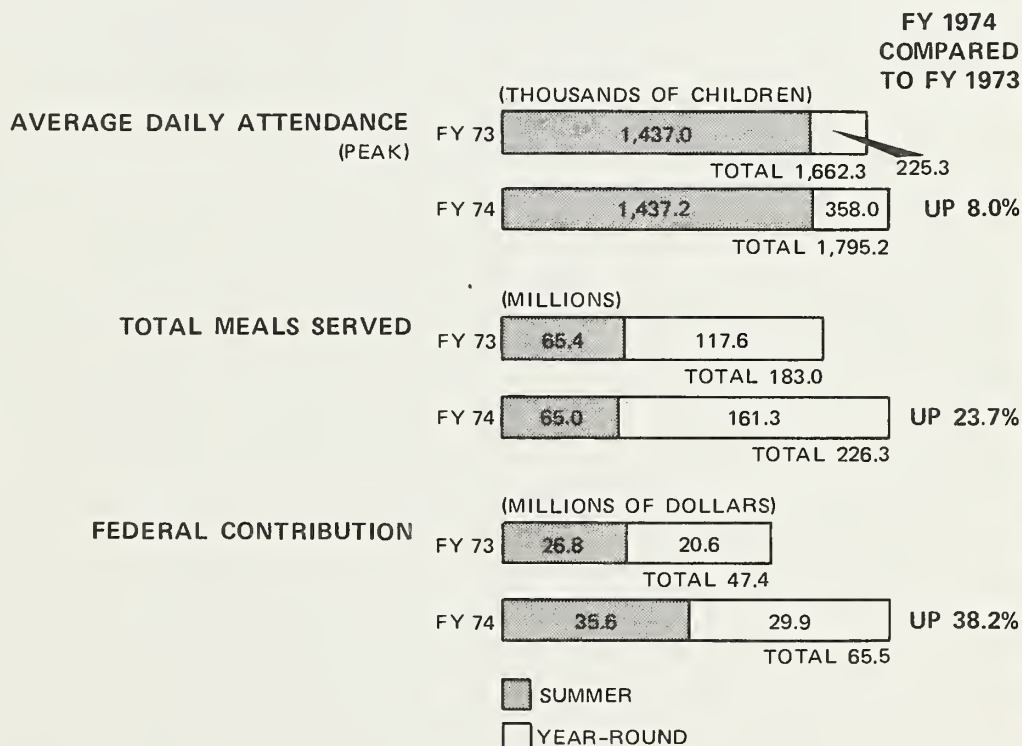


SPECIAL FOOD SERVICE PROGRAM

The Special Food Service Program, started in 1968, provides assistance for meal service in year-round day care centers and Head Start programs, primarily for pre-school children of low-income or working mothers. In summer the program provides nutritious meals to needy school-age children in parks, playgrounds and recreation programs.

In fiscal year 1974:

- The summer phase of the program reached 1.4 million children, about the same number as the previous year. The year-round program served 358,000 children, a 59-percent gain over the previous year. This is largely the result of a transfer of responsibility for the food service activities of Head Start Programs to the Special Food Service Program.
- A total of 226.3 million meals were served, 23.7 percent more than the previous year. Over 70 percent of the total was provided in the year-round program.
- Over 8,300 centers were involved in the year-round program and over 10,000 in the summer activities, for a total of 18,300. That compares with 15,560 the previous year.
- Federal contributions climbed 38 percent to \$65.5 million. The summer activities accounted for \$35.6 million, while the year-round program used \$29.9 million.



NONFOOD ASSISTANCE PROGRAM

The Nonfood Assistance Program helps State educational agencies to finance food service equipment to enable schools in low-income areas to establish, expand and maintain food service programs. Schools receiving the aid must take part in the National School Lunch or School Breakfast Programs.

In fiscal year 1974:

- Total average daily attendance at schools receiving nonfood assistance was 3.8 million children, as compared to 3.1 million a year earlier.
- A total of \$24 million was provided to assist 8,092 schools to buy equipment, of which \$10.9 million went to 1,423 schools that had previously been without food service. Expenditures were up to 58 percent over the \$15.2 million used the previous year to aid 6,442 schools.
- The average expenditure per school rose to \$2,966, a gain of 26 percent over fiscal year 1973. The average was \$7,700 per school in those starting new programs; and \$1,960 per school in those with existing programs.

		(MILLIONS OF DOLLARS)		FY 1974 COMPARED TO FY 1973
FEDERAL PAYMENTS	FY 73	15.2		
	FY 74	24.0		UP 58%

SPECIAL MILK PROGRAM

The Special Milk Program reimburses schools, child care centers, settlement houses, and summer camps for part or all of the cost of milk served, and thus reduces the cost to the children. This program is especially important where there is no regular food service.

In fiscal year 1974 milk served under the Special Milk Program totaled 1.5 billion half-pints, at a Federal cost of \$52 million.

			FY 1974 COMPARED TO FY 1973
NUMBER OF ½ PINTS OF MILK	(BILLIONS OF ½ PINTS)		
	FY 73	2.6	
	FY 74	1.5	DOWN 42.3%
FEDERAL PAYMENTS	(MILLIONS OF DOLLARS)		
	FY 73	90.8	
	FY 74	52.0	DOWN 42.7%

UNITED STATES DEPARTMENT OF AGRICULTURE
 FOOD AND NUTRITION SERVICE
 WASHINGTON, D.C. 20250

SUMMARY OF FOOD AND NUTRITION PROGRAMS
 PRELIMINARY FY 1974

UNITED STATES

I - TOTAL FEDERAL PAYMENTS FOR ALL FNS PROGRAMS

	CASH	COMMODITIES	TOTAL	PERCENT OF U.S. TOTAL
Federal Payments (Millions)	\$3,996.3	\$549.0	\$4,545.3	100.0%

II - AVAILABILITY OF CHILD NUTRITION PROGRAMS IN SCHOOLS

ITEM	TOTAL PUBLIC AND PRIVATE SCHOOLS	NATIONAL SCHOOL LUNCH		BREAKFAST		NONFOOD ASSISTANCE	
		Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total Schools	110,746	86,864	78.4%	11,800	10.7%	8,092	7.3%
Eligible Schools	110,003						
Total Enroll. (000's)	51,354.6	43,906.4	85.5%	5,593.6	10.9%	3,792.5	7.4%
Eligible Enroll. (000's)	51,176.5						

III - CHILD NUTRITION PROGRAMS IN SCHOOLS¹

ITEM	TOTAL	NATIONAL SCHOOL LUNCH PROGRAM	SCHOOL BREAKFAST PROGRAM	NONFOOD ASSISTANCE PROGRAM
Participants (peak reached)		24.9	1.6	3.8
Receiving Free and Reduced Price Lunches (peak reached)		9.4	1.3	
Total Meals Served	4,209.2	3,984.7	224.5	
Percent Free and Reduced Price	39.7%	37.2%	83.4%	
Total Meals Served Daily	23.4	22.1	1.3	
All Federal Payments	\$1,460.3	\$1,370.7	\$61.9	\$24.0
Total Program Cash Payments	\$1,140.3	\$1,061.1	\$55.2	\$24.0
State Administrative Expense (SAE)	\$ 3.7			
Federal Cost of Commodities	\$ 316.3	\$ 309.6	\$ 6.7	
Total Value of Food Used	\$1,891.3			
Local Food Purchases	\$1,575.0			
Federal Program Payments (Excluding SAE)	\$1,456.6			
Per Child		\$ 55.05	\$38.69	\$ 6.32
Per Meal (cents)		34.4¢	27.6¢	

¹All numbers rounded to millions.

IV - SPECIAL MILK PROGRAM

	TOTAL	SCHOOLS	CHILD CARE INSTITUTIONS	SUMMER CAMPS
Number of Outlets	91,197	85,102	2,499	3,596
Number of Half-Pints Served ¹	1,478.8	1,377.8	60.4	40.6
Federal Payments ¹	\$52.0	\$50.0	\$1.2	\$0.8

¹All numbers rounded to millions.

V – SPECIAL FOOD SERVICE PROGRAM

	SUMMER ONLY	YEAR ROUND		SUMMER ONLY	YEAR ROUND
Number of Outlets (Peak)	10,243	8,373	Federal Payments	<u>Millions</u> \$35.6	<u>Millions</u> \$29.9
ADA (Thous. Peak)	1,437.2	358.0	Cash	\$34.7	\$27.7
Total Meals Served (Mil.)	65.0	161.3	Commodities	\$ 0.9	\$ 2.2
Percent Free Meals	98.1%	89.1%	Per Meal (Cents)	54.8¢	18.5¢
Institutions Receiving Nonfood Assistance Funds: Outlets 544 ADA 95,110 Dollars \$800,795					

VI – FOOD DISTRIBUTION PROGRAM ^{1/}

OUTLETS	PERSONS PARTICIPATING	POUNDS	FEDERAL COST FOR COMMODITIES
Schools	28.5	961.0	\$319.4
Sections 32 and 416		833.9	248.9
Section 6		117.3	67.4
Special Food Service		9.8	3.1
Institutions	2.7	107.9	25.0
Year Round	1.3	96.6	22.4
Summer Camps	1.4	11.3	2.6
Needy Persons	2.8	600.7	204.6
Needy Families	2.4	551.0	189.3
Supplemental Food	0.2	49.4	15.2
Disaster Relief	0.2	0.3	0.1
TOTAL	34.0	1,669.6	\$549.0
Cash Assistance to States for Needy Family Program			\$ 11.9
Total Program Cost (Cash and Commodities)			\$560.9

^{1/} All numbers rounded to millions.

VII – SPECIAL SUPPLEMENTAL FOOD PROGRAM – WIC

PROJECTS	PARTICIPANTS (Millions)	PAYMENTS (Millions)	MONTHLY AVG. PER PERSON
232	0.2	\$11.1	\$17.01 ¹

¹\$2.1 million for Administrative, Clinical and Medical Cost is included in payments but excluded from benefits per person.

VIII – FOOD STAMP PROGRAM¹

State	PROJECTS	YEAR END PARTICIPATION (Millions)	COUPONS ISSUED		
			TOTAL (Millions)	BONUS	
				Total (Millions) ²	Monthly Avg. Per Person
Total	2,818	13.5	\$4,724.3	\$2,714.1	\$17.54

¹ Does not include the Food Certificate Program which provided \$824,710 in Food Certificates for 8,103 participants in four project areas.

² Includes Food Stamp Disaster Relief Program, which provided \$1,912,942 in bonus stamps for 60,906 people in 56 project areas.

